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# Malaysia forfeits US support with 1MDB graft

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*Najib should stand aside while investigations run their course*

The US Justice Department's decision to seize more than \$1bn in assets allegedly stolen from Malaysia's sovereign wealth fund has sent shockwaves through the Southeast Asian nation. Until the US announcement last month, most Malaysians were resigned to creeping authoritarianism in their country as the prime minister, Najib Razak, concentrated power in his hands and eviscerated the last vestiges of independent governance.

Mr Najib has in effect removed anyone — from the deputy prime minister to the attorney-general — who questioned his role in the alleged theft of billions of dollars from 1 Malaysia Development Berhad (1MDB), the sovereign wealth fund he established in 2009.

Mr Najib's party, United Malays National Organisation (Umno), has ruled the country without interruption for six decades with a mix of cash hand-outs and suppression of political opponents. But the alleged involvement of Mr Najib, his family and associates with the 1MDB scandal goes beyond the usual levels of corruption in Malaysia. Now the Obama administration has sent an implicit signal that Mr Najib no longer enjoys the unquestioning protection and support of the US.

Since independence in 1957, Malaysia has hardly been a paragon of democracy. But it has always been a staunch western ally and an example of moderate Islam in a world of increasing radicalisation. Thanks to Mr Najib, those assumptions are now in doubt.

In Washington, Malaysia gets little airtime. If the topic crossed Barack Obama's desk at all it was usually in the context of Mr Najib's strong support for the Trans-Pacific Partnership (TPP) trade deal or his role as a moderate Muslim bulwark against extremism in Southeast Asia. On Christmas Eve, 2014, the two leaders played a round of golf in Hawaii, something Mr Najib has

touted ever since as evidence of his American backing.

He has also cleverly courted China in what analysts say is a warning to Washington that he could move Malaysia into Beijing's sphere of influence if US support wavers.

In recent weeks, Mr Najib's government has cynically highlighted the threat of terrorism in his country with hundreds of arrests of alleged terror suspects. Then on Monday the country introduced a new security law that gives Mr Najib sweeping powers to declare a state of emergency in a move human rights groups and UN officials said would allow him to act with impunity and trample human rights.

The Obama administration must not bow to Mr Najib's attempts to bounce Washington into continued support. Islamist radicalisation is likely to be exacerbated by the current drift towards authoritarianism and the climate of impunity fostered by the prime minister as he clings to power.

TPP is, sadly, no longer a US priority and is opposed by both major presidential candidates. A Malaysian alliance with China is very unlikely, particularly given Umno's patchy record when it comes to relations with its own large Chinese minority.

As he nears the end of his tenure in the White House, Mr Obama should encourage all US agencies to pursue the 1MDB case to the full extent of American and international law. That applies not only to potential charges against Mr Najib and his associates, but also those involving banks and companies that have abetted the alleged laundering of more than \$3.5bn stripped from 1MDB.

Finally, for the sake of the people and the country he professes to serve, Mr Najib should step aside until investigations have run their course or he has cleared his name.